

Arizona Department of Racing

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	FY 2009 ACTUAL	FY 2010 ESTIMATE	FY 2011 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	46.5	41.5	40.5
Personal Services	1,547,700	1,348,300	1,348,300
Employee Related Expenditures	535,200	444,200	444,200
Professional and Outside Services	144,500	21,000	21,000
Travel - In State	123,000	78,600	78,600
Travel - Out of State	3,200	1,000	1,000
Other Operating Expenditures	308,100	198,500	198,500
Equipment	42,800	0	0
OPERATING SUBTOTAL	2,704,500	2,091,600	2,091,600
SPECIAL LINE ITEMS			
Breeders' Award	0	800,000	800,000
County Fair Racing	0	400,000	400,000
County Fairs Livestock and Agricultural Promotion	0	1,779,500	1,779,500
County Fairs Racing Betterment	0	900,000	900,000
Racing Administration	0	67,000	67,000
Stallion Award	0	100,000	100,000
5th Special Session Reduction	0	(460,400)	(460,400)
AGENCY TOTAL	2,704,500	5,677,700	5,677,700
FUND SOURCES			
General Fund	2,241,600	5,677,700	5,677,700
<u>Other Appropriated Funds</u>			
County Fair Racing Fund	427,700	0	0
Racing Administration Fund	35,200	0	0
SUBTOTAL - Other Appropriated Funds	462,900	0	0
SUBTOTAL - Appropriated Funds	2,704,500	5,677,700	5,677,700
Other Non-Appropriated Funds	1,916,600	50,500	16,900
TOTAL - ALL SOURCES	4,621,100	5,728,200	5,694,600

CHANGE IN FUNDING SUMMARY

	FY 2010 to FY 2011 Baseline	
	\$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	0	0.0%
Total Appropriated Funds	0	0.0%
Non-Appropriated Funds	(33,600)	(66.5%)
Total - All Sources	(33,600)	(0.6%)

AGENCY DESCRIPTION — The Arizona Department of Racing regulates the pari-mutuel horse and greyhound racing industries through the supervision of race meetings, screening of license applicants, collection of taxes and fees, and assessment of fines or other penalties. The Division of Boxing Regulation is responsible for licensing, investigating, and regulating professional boxing, tough man, and nontraditional fighting contests within Arizona.

Operating Budget

The Baseline includes \$2,091,600 and 40.5 FTE Positions from the General Fund for the operating budget in FY 2011. These amounts are unchanged from FY 2010.

Breeders' Award

The Baseline includes \$800,000 from the General Fund for the Breeders' Award in FY 2011. This amount is unchanged from FY 2010.

Monies in this line item are deposited in the non-appropriated Breeders' Award Fund. The fund awards the breeder of every winning horse or greyhound foaled or whelped in this state.

County Fair Racing

The Baseline includes \$400,000 from the General Fund for County Fair Racing in FY 2011. This amount is unchanged from FY 2010.

Monies in this line item are deposited in the non-appropriated County Fair Racing Fund to provide funding for the administration of county fair racing.

County Fairs Livestock and Agricultural Promotion

The Baseline includes \$1,779,500 from the General Fund for County Fairs Livestock and Agricultural Promotion in FY 2011. This amount is unchanged from FY 2010.

Monies in this line item are deposited in the County Fairs Livestock and Agricultural Promotion Fund in the Office of the Governor. The fund is used to promote Arizona's livestock and agricultural resources and conduct an annual Livestock Fair at the Coliseum and Exposition Center.

County Fairs Racing Betterment

The Baseline includes \$900,000 from the General Fund for County Fairs Racing Betterment in FY 2011. This amount is unchanged from FY 2010.

Monies in this line item are deposited in the non-appropriated County Fairs Racing Betterment Fund. The fund provides grants for capital improvements to each eligible county fair association conducting a county fair racing meeting, in order to protect the health and safety of race participants.

Racing Administration

The Baseline includes \$67,000 from the General Fund for Racing Administration in FY 2011. This amount is unchanged from FY 2010.

Monies in this line item are deposited in the non-appropriated Racing Administration Fund. The fund is used to administer the County Fairs Racing Betterment Fund, the Breeders' Award Fund, the Stallion Award Fund, and the Greyhound Adoption Fund.

Stallion Award

The Baseline includes \$100,000 from the General Fund for the Stallion Award in FY 2011. This amount is unchanged from FY 2010.

Monies in this line item are deposited in the non-appropriated Stallion Award Fund. The fund awards

owners or lessees of stallions that bred winning horses within the state.

5th Special Session Reduction

The Baseline includes \$(460,400) from the General Fund in FY 2011 to continue the 5th Special Session FY 2010 Lump Sum Reduction. This lump sum reduction would be allocated to specific line items in the FY 2011 General Appropriation Act.

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FORMAT — Operating Lump Sum with Special Line Items by Agency

FOOTNOTES

Standard Footnotes

The amount appropriated to the County Fairs Livestock and Agricultural Promotion line item is for deposit in the County Fairs Livestock and Agricultural Promotion Fund administered by the Office of the Governor.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

5% FTE Position Reduction

The Arizona Department of Racing was originally budgeted 42.5 General Fund FTE Positions in FY 2010. Laws 2009, 3rd Special Session, Chapter 11, Section 17 mandates a 5% General Fund FTE Position reduction by February 1, 2010. Given the mid-year implementation, this provision requires the Arizona Department of Racing to reduce an additional 1 FTE Position in FY 2010 and 2 General Fund FTE Positions in FY 2011.

SUMMARY OF FUNDS	FY 2009 Actual	FY 2010 Estimate
Arizona Breeders Award Fund (RCA2206/A.R.S. § 5-113)		Non-Appropriated
Source of Revenue: Prior to FY 2010, 22% of funds resulting from horse and dog racing permittees, permits and licenses, as well as from the proceeds of unclaimed property in the custody of the state, as defined by A.R.S. § 44-303, or \$1,200,000 from those sources whichever is less, were deposited into this fund. Laws 2009, 4 th Special Session, Chapter 3, the FY 2010 General Revenues Budget Reconciliation Bill requires pari-mutuel proceeds and unclaimed property revenue to be distributed to the General Fund, rather than to Racing funds beginning in FY 2010. Beginning in FY 2010, \$800,000 is deposited from the General Fund to the new Breeders' Award Special Line Item (SLI). (The statutory distribution in FY 2008 was \$800,000.) General Fund monies are now deposited into this fund. Expenditures are not displayed in FY 2010 to avoid double counting the General Fund.		
Purpose of Fund: To award the breeder of every winning horse, greyhound foaled or whelped, statewide.		
Funds Expended	753,800	0
Year-End Fund Balance	433,300	0
County Fair Racing Fund (RCA2170/A.R.S. § 5-113)		Appropriated in FY 2009 Non-Appropriated in FY 2010
Source of Revenue: Prior to FY 2010, 9% of funds resulting from horse and dog racing permittees, permits and licenses, as well as from the proceeds of unclaimed property in the custody of the state, as defined by A.R.S. § 44-303, or \$450,000 from those sources whichever is less, were deposited into this fund. Laws 2009, 4 th Special Session, Chapter 3, the FY 2010 General Revenues Budget Reconciliation Bill requires pari-mutuel proceeds and unclaimed property revenue to be distributed to the General Fund, rather than to Racing funds beginning in FY 2010. Beginning in FY 2010, \$400,000 is deposited from the General Fund to the new County Fair Racing Special Line Item (SLI). (The statutory distribution in FY 2008 was \$400,000.) General Fund monies are now deposited into this fund. Expenditures are not displayed in FY 2010 to avoid double counting the General Fund.		
Purpose of Fund: Provides funding for the administration of county fair racing.		
Funds Expended	427,700	0
Year-End Fund Balance	111,200	0
County Fairs Racing Betterment Fund (RCA2207/A.R.S. § 5-113)		Non-Appropriated
Source of Revenue: Prior to FY 2010, 22% of funds resulting from horse and dog racing permittees, permits and licenses, as well as from the proceeds of unclaimed property in the custody of the state, as defined by A.R.S. § 44-303, or \$1,200,000 from those sources whichever is less, were deposited into this fund. Laws 2009, 4 th Special Session, Chapter 3, the FY 2010 General Revenues Budget Reconciliation Bill requires pari-mutuel proceeds and unclaimed property revenue to be distributed to the General Fund, rather than to Racing funds beginning in FY 2010. Beginning in FY 2010, \$900,000 is deposited from the General Fund to the new County Fairs Racing Betterment Special Line Item (SLI). (The statutory distribution in FY 2008 was \$900,000.) General Fund monies are now deposited into this fund. Expenditures are not displayed in FY 2010 to avoid double counting the General Fund.		
Purpose of Fund: To provide a grant for capital improvements to each eligible county fair association conducting a county fair racing meeting, in order to protect the health and safety of race participants.		
Funds Expended	1,095,400	0
Year-End Fund Balance	315,600	0
Greyhound Adoption Fund (RCA2015/A.R.S. § 5-113)		Non-Appropriated
Source of Revenue: License fees collected from dog breeders, racing kennels, and other operations where greyhounds are raised for dog racing. Additional monies are collected by the horse adoption surcharge that receives 5% of all horse racing related fines.		
Purpose of Fund: To provide funding for grants to non-profit organizations for the promotion and adoption of retired racing greyhounds and horses.		
Funds Expended	1,600	3,000
Year-End Fund Balance	3,700	2,300

SUMMARY OF FUNDS	FY 2009 Actual	FY 2010 Estimate
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Racing Administration Fund (RCA2018/A.R.S. § 5-113)

Appropriated in FY 2009
Non-Appropriated in FY 2010

Source of Revenue: Prior to FY 2010, 1% of funds resulting from horse and dog racing permittees, permits and licenses, as well as from the proceeds of unclaimed property in the custody of the state, as defined by A.R.S. § 44-303, or \$67,000 from those sources whichever is less, were deposited into this fund. Laws 2009, 4th Special Session, Chapter 3, the FY 2010 General Revenues Budget Reconciliation Bill requires pari-mutuel proceeds and unclaimed property revenue to be distributed to the General Fund, rather than to Racing funds beginning in FY 2010. Beginning in FY 2010, \$67,000 is deposited from the General Fund to the new Racing Administration Special Line Item (SLI). (The statutory distribution in FY 2008 was \$67,000.) General Fund monies are now deposited into this fund. Expenditures are not displayed in FY 2010 to avoid double counting the General Fund.

Purpose of Fund: To administer the Arizona County Fairs Racing Betterment Fund, the Arizona Breeders' Award Fund, the Arizona Stallion Award Fund, and the Greyhound Adoption Fund.

Funds Expended	35,200	0
Year-End Fund Balance	63,600	0

Racing Investigation Fund (RCA2369/A.R.S. § 41-705)

Non-Appropriated

Source of Revenue: Monies collected from persons, partnerships, associations or corporations that hold a permit for a racing meeting under Title 5.

Purpose of Fund: To cover the cost of racing investigations by the Arizona Department of Racing. The fund is administered by the Department of Administration and disbursements are made pursuant to instructions from the Director of the Department of Racing.

Funds Expended	6,400	43,600
Year-End Fund Balance	3,600	0

Stallion Award Fund (RCA2315/A.R.S. § 5-113)

Non-Appropriated

Source of Revenue: Prior to FY 2010, 1% of funds resulting from horse and dog racing permittees, permits and licenses, as well as from the proceeds of unclaimed property in the custody of the state, as defined by A.R.S. § 44-303, or \$60,000 from those sources whichever is less, were deposited into this fund. Laws 2009, 4th Special Session, Chapter 3, the FY 2010 General Revenues Budget Reconciliation Bill requires pari-mutuel proceeds and unclaimed property revenue to be distributed to the General Fund, rather than to Racing funds beginning in FY 2010. Beginning in FY 2010, \$100,000 is deposited from the General Fund to the new Stallion Award Special Line Item (SLI). (The statutory distribution in FY 2008 was \$100,000.) General Fund monies are now deposited into this fund. Expenditures are not displayed in FY 2010 to avoid double counting the General Fund.

Purpose of Fund: To award owners or lessees of stallions that bred winning horses within the state.

Funds Expended	59,400	0
Year-End Fund Balance	86,300	0

Unarmed Combat Fund (RCA2393/A.R.S. § 5-225)

Non-Appropriated

Source of Revenue: Fees established by the Boxing Commission for unarmed combat events.

Purpose of Fund: To pay for the administration and regulation of unarmed combat.

Funds Expended	0	3,900
Year-End Fund Balance	18,000	50,100